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SUBJECT: AMBASSADOR'S MARCH 14 LUNCH WITH KIM GEUN-TAE

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b/d)

¶1. (C) SUMMARY: Rep. Kim Geun-tae, a senior member of the Uri Party and a presidential hopeful, told the Ambassador March 14 that U.S. and ROK officials needed to manage more effectively public portrayals of differences in Seoul's and Washington's approaches to the North Korea nuclear issue. He stressed the symbolic and tangible impact of the Kaesong Industrial Complex (KIC) and called for the U.S.-ROK FTA to classify KIC-made products as "made in the ROK," as was the case under the ROK-Singapore FTA. Turning to recent instances of rash behavior by Pyongyang, Kim believed that the DPRK would choose to be difficult on any number of issues in order to leverage each act into a card to be played at the negotiating table. Finally, Kim strongly urged that Washington play a more active role to rein in Japan on Yasukuni and history issues. END SUMMARY.

#### SIX PARTY TALKS

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¶2. (C) During a lunch hosted by the Ambassador March 14, Rep. Kim Geun-tae warmly welcomed the Ambassador's arrival in Seoul, saying that the Korean people hoped that the Ambassador's previous experience in Russia and at NATO would prove useful in the effort to end the Cold War on the Korean Peninsula. The Ambassador observed that it was time of transformation in the U.S.-ROK alliance and expressed hope that transformation would also be possible U.S.-DPRK relations.

¶3. (C) Kim noted that Washington and Seoul shared the same ultimate goal for the Six Party Talks, but "obviously" had different approaches. Diplomats on both sides must work harder to minimize the appearance of these differences, for public confidence was being shaken by the proliferation of reports of differences between the two allies. Moreover, we needed to be mindful that, while the United States and the ROK disagreed with each other on tactics and North-South relations were at a standstill, China was increasing its economic influence. North-South engagement and, ultimately, North-South reunification would enable Korea and the United States to check China, Kim suggested.

#### NORTH-SOUTH RELATIONS

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¶4. (C) Alluding to the phased reunification process prescribed by the Sunshine Policy, Kim said the two Koreas were currently aspiring to recreate a Korean identity as one

people ("han minjok"), albeit living in two countries. He asserted that reunification was the overriding ambition of the Korean people, who, Kim remarked, had been divided not of their own volition but by fiat of the Great Powers. The wish for reunification thus made it difficult for the ROK to agree with certain U.S. policies and actions regarding North Korea, including President Bush's inclusion of North Korea in the "axis of evil."

15. (C) The Ambassador reminded Kim that the 38th parallel had been drawn in response to the situation on the ground at that time, after Stalin's expansionist moves at the end of World War II. Turning to the current situation, the Ambassador observed that Washington and Seoul might differ on tactics for promoting change on the Korean Peninsula, but not on the need for change itself. He underscored that the United States shared the ROK's desire for a reunified Korean Peninsula, but observed that by pursuing its nuclear ambitions and engaging in other illicit activities, North Korea posed a threat not just to the ROK but to the international community. That said, the United States recognized that peace and stability was in its interest and therefore wanted to see the Six Party Talks lead to greater North-South exchanges, greater opening up in the North, establishment of a peace regime, and normalization of U.S.-DPRK relations. We hoped for an early resumption of the Six Party Talks, the Ambassador said.

16. (C) Kim acknowledged that Pyongyang's behavior was often exasperating. For instance, it had earlier in the week unexpectedly and inexplicably canceled a long-planned North-South ministerial. But, Kim assessed, the North Koreans behaved in this manner because they were desperate to turn any issue into a possible point of negotiating leverage, beginning with their attendance at a given meeting. This type of behavior was infuriating but, Kim said, a great country like the United States should try to be magnanimous in dealing with a small, desperate country like North Korea. The Ambassador responded by emphasizing the importance of reciprocity in North-South relations and elsewhere.

17. (C) Rep. Kim Hyeong-joo, who accompanied Kim Geun-tae, pointed out that North Korea was caught in a dilemma because it wanted to improve its economy while retaining its ideology. China's solution had been to accept the argument advanced by certain Chinese scholars that early socialism allowed some capitalist traits. The existence of different schools of thought had provided Chinese leaders with a creative solution. Unfortunately, Kim Hyeong-joo continued, the DPRK was mono-ideological, making it difficult for Pyongyang to change itself from within. Moreover, the North Korean leadership probably feared that opening up the country would lead to the type of crisis of legitimacy that ensued after Gorbachev ushered in glasnost and perestroika.

#### KAESONG INDUSTRIAL COMPLEX

18. (C) Turning to the Kaesong Industrial Complex (KIC), Kim Geun-tae made a case for allowing KIC-made products to be classified as "Made in the ROK" for the purposes of the U.S.-ROK Free Trade Agreement (FTA). If Washington were to agree to this, as Singapore had, it would send a positive signal to North Korea, Kim said. He stressed that the KIC was symbolic in that, when completed, it would house a massive exercise in capitalism just over the DMZ, in North Korea's second- or third-largest city. As the KIC expanded, the North Koreans would inevitably begin to compare themselves to their South Korean colleagues.

19. (C) The Ambassador noted that in addition to challenges related to meeting technical standards of South Korean content, the classification of KIC-made goods was made more difficult by growing concerns over wage and labor practices at the KIC.

#### JAPAN

¶10. (C) Kim raised with the Ambassador the damaging effect wrought repeated visits to Yasukuni Shrine by PM Koizumi and other Japanese Cabinet officials. He urged that Washington take a more active and responsible role in censuring Japan's behavior in this regard. Some seemed to believe that Washington was not involved in the Yasukuni issue, but, Kim asserted, "you are involved." The Japanese prime minister's decision to pay homage to the 11 war criminals at Yasukuni was an act that challenged the legitimacy of the U.S.-backed war crimes tribunal that had convicted them, he observed. The Ambassador pointed out that Washington could not be held responsible for the actions of others, although we were not indifferent to the historical issues raised by Yasukuni. Nevertheless, we were concerned about the state of the ROK-Japan relationship and were seeking ways to help improve relations between our two allies.

COMMENT

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¶11. (C) Kim Geun-tae is one of the National Assembly's most respected members and a perennial presidential hopeful. A former dissident, he remains today a leader of Korea's progressive politicians and commands intense loyalty from his supporters. Although he has been unable thus far to extend his voter appeal beyond his core base -- is struggling internally and externally to compete against Chung Dong-young -- he is widely acknowledged as a serious, thoughtful, and consistent voice on policy issues, especially unification. On this occasion, he was reluctant to engage on internal politics, joking that it would give him "indigestion" so soon after his loss to Chung in the election for Uri Party leader.

END COMMENT.

VERSHBOW